

City of Annapolis
Supplemental Appropriation from Surplus Funds

Fund: GRANT FUND
 Department: PLANNING & ZONING

Control Number: SA 41-21
 Date: 6/14/2021

Source of Surplus Funds: HOUSING & URBAN DEVELOPMENT

Account Name	Allocation of Appropriation for
Revenue:	
Federal Grant Revenue	\$ 220
Expenditure:	
Federal Grant Expenses	\$ 220

Explanation:
 This supplemental allocation appropriates \$220 from the Housing and Urban Development . The grant will be used to fund consulting services of the Baltimore Metropolitan Council. There is no match required. This amount was not included in the FY2021 budget.

Approved by:

Peju Okunribayo (for Julie Dickinson) 6/21/21
 Finance Director Date

Sally Nash 6/14/2021
 Department Director Date

Approved by:

City Manager [Signature]
 Mayor [Signature]
 Finance Committee _____
 City Council _____

Date 6/14/21
 Date _____
 Date _____
 Date _____

CM: City Manager approved transfers of appropriations of \$25,000 or less from one line item to another within a fund.
 CM's do not increase the total budget or the budget for any fund.
 FT: Fund Transfers of appropriations greater than \$25,000 from one line item to another within a fund.
 These are also used for fund transfers from the contingency account, bond proceeds, or from one fund to another, regardless of the amount. FT's do not increase the total budget.
 SA: Supplemental Appropriation from revenue not anticipated in the budget or in excess of that anticipated in the budget.
 SA's increase the total budget.



U.S. Department of Housing and Urban Development

Baltimore Office
Bank of America Bldg Tower II
100 South Charles Street Suite 5200
Baltimore, MD 21201

March 22, 2021

Ms. Sally Nash
Acting Director
Department of Planning and Zoning
145 Gorman Street 3rd Floor
Annapolis, MD 21401

Dear Ms. Nash:

The HUD Baltimore Field Office is notifying you that your balance of CDBG FY 2014 grant funds is at risk of cancellation and that all undisbursed CDBG FY 2014 grant funds will be returned to the U.S. Department of Treasury if those funds are not disbursed by September 11, 2021. As of March 19, 2021, your CDBG FY 2014 grant funds balance is:

Community Development Block Grant Program (CDBG) \$220.00

All of this amount is not committed in IDIS to specific activities and is currently available to fund activities.

CDBG grants are subject to 31 U.S.C. 1552(a), as amended by the National Defense Authorization Act (NDAA) of 1991. Section 1405(a) of the NDAA states that funds are only available for disbursing for a period of five years from the last date of availability (obligation). Because HUD's obligation period for CDBG is typically three fiscal years, including the origin year, a grantee has a total of eight years to expend its annual CDBG allocation. CDBG grant funds not disbursed from the grantee's line of credit after eight years will be cancelled and recaptured by the U.S. Department of Treasury at the end of the eighth Federal fiscal year, pursuant to 24 CFR 570.480(h) (for State grantees) and 570.200(k) (for Entitlement grantees). For example, CDBG funds that were appropriated in FY 2014 must be obligated by HUD by the end of FY 2016, and any unexpended funds will be cancelled on September 11, 2021 (FY 2016 + five years).

Accordingly, undisbursed CDBG grant balances for FY 2014 will be cancelled and recaptured if not used for eligible CDBG activities and drawn down from the Line of Credit Control System (LOCCS) before September 11, 2021. HUD does not have the authority to waive statutory requirements related to the period of availability for appropriation accounts.

The enclosure, entitled *Guidance for CDBG Grantees: Expending FY 2014 Account Balances Prior to Cancellation*, will help you focus on modifying funding sources or increasing budgets. Please use the enclosed guidance to identify which funds are available for obligation and evaluate obligations to long-outstanding activities that will not expend their balance of FY 2014 funds in time.

Moreover, you are encouraged to consider long-term changes to policies and procedures to diligently manage this balance and to mitigate the risk of losing funds in this manner going forward. The 2014 grants are the last funds to be treated in a cumulative fashion under program-based, first in, first out accounting. In the past, the first in, first out method would apply any draw to the oldest account, thereby reducing those balances to zero. Today, the 2014 grant is the only account available under that cumulative program-based funding because all prior year accounts have each already cancelled at the end of their respective eighth fiscal years. For 2015 grants and subsequent years, it is the grantee's responsibility to ensure that annual account balances are reduced to zero before cancellation. Each grant from 2015 forward will cancel at the end of its respective eighth fiscal year.

You are reminded that certain activities are subject to the provisions of 24 CFR Part 58 (Environmental Review Procedures). Funds for such activities may not be obligated or expended until HUD has approved the release of funds in writing. A request for release of funds (RROF) must be accompanied by an environmental certification, and until the RROF is approved and notification is received, no HUD funds should be committed. If the project or activity is exempt per 24 CFR 58.34 or categorically excluded (except in extraordinary circumstances), no RROF is required.

If you or your staff have any questions or need further information of assistance, please contact Susan D. Taylor (Senior Community Planning and Development Representative), the CPD Baltimore Lead for the State's CDBG Program, at susan.d.taylor@hud.gov.

Sincerely,

Charles Halm

Charles Halm, Director,
Office of Community Planning and
Development

Enclosure

cc:

Theresa C. Wellman